

UK Women's Budget Group

Submission to the Early Years Commission

June 2020

The UK Women's Budget Group (WBG) is a network who analyse the impact of economic policy on different groups of women and men. We are giving evidence to the Early Years Commission on the basis of our work on childcare, parental leave and education which have substantial impacts on the lives of women and children. For this reason, we have only answered the questions most relevant to our work specifically on parental leave policies, childcare and social security.

- 1. How can we ensure that parents and children receive the best possible physical and mental health support, particularly during the perinatal period?***
- 2. How can we ensure that parents are supported to balance work and caring for their child during the early years?***

WBG recognises a new parental leave system as integral to sharing care and achieving gender equality. The current system maintains the status quo of women taking up the majority of early years care and, fathers/second parents missing out on vital time with infants. Ineligibility and poorly paid Shared Parental Leave is failing many parents as well as perpetuating the gender pay gap.

As an alternative, we recommend:

- A clear distinction between birth leave and parental leave. Both parents should be eligible to different amounts of birth leave – paid at actual earnings – and the same amount of parental leave – paid at at least the National Living Wage.
- All parents should have a 'day one' right to return to the same job and provisions for pregnancy and maternity in the Equalities Act extended to fathers and all people with parenting responsibilities in order to change a culture of hostility towards men taking paternity and parental leave.
- To be effective, these changes must take place within a wider context of other policies to redistribute care and close the gender pay gap including Universal Free Childcare starting from when parental leave ends and a National Care Service.

WBG, along with several other women and equality organisations is also subscribed to the below principles and objectives for Parental Leave:

- Each parent should have an individual right to time off and pay, reserved just for them; this has been shown in other countries to reduce gender inequality
- Maternity leave is important because mothers need to recover from childbirth and may breastfeed their new baby
- Leave for fathers to care for their infant alone is important to lay the ground for fathers' role in caring for children

- The system must be simple and easy to understand for both parents and employers while enabling flexibility for parents, including some time off together if that's what they want
- Time off and pay should be available to all parents (those classified as 'workers' and 'self-employed') from the start of their employment as an individual right
- Flat-rate payments during time off should be substantially increased and then kept in line with the cost of living.
- The system should ensure that parents have the right to return to the same job after taking leave and protected by law from losing their job during their leave or when they return to work, through discrimination or redundancy.
- Parental leave and pay policies should work alongside a flexible by default UK labour market and a more affordable childcare system that is available and ensures work pays from the day parents return to employment.

Specifically, we call for:

- Six months non-transferable birth leave for mothers to recover from birth paid at full earnings
- At least four weeks non-transferable birth leave for fathers and second parents to assist in recovery paid at full earnings
- An individual non-transferable parental leave allowance of six months for each partner to be paid at at least the Real Living Wage¹, with flexibility about how and when to take this up to 18 months after birth.
- Day one rights to return to the same job, not just to a suitable alternative, to reduce the risk of discrimination against parents and help change cultural norms around parental leave.
- Parental leave reform should take place within wider moves to share care in the economy including implementing free, high quality Universal free childcare available from six months and, a National Care Service with provision for independent living.
- Implementation of policies to close the gender pay gap, sharing care more equally and closing the gender pay gap are integrally related.
- In addition to the non-transferable allowances set out above, strengthened laws on maternity discrimination are needed given that Maternity Action reports 3 in 4 women report negative or possibly discriminatory experiences at work. We call for a day 1 right to return to the same job after maternity, paternity and parental leave, not a 'suitable alternative' for all parents including those who are self-employed or in irregular or precarious work.
- Similarly, in order to change a culture of hostility towards men taking paternity and parental leave, WBG would like to see provisions for pregnancy and maternity in the Equalities Act extended to fathers and all people with parenting responsibilities.
- These measures would better protect parents and help to remove the stigma around taking parental leave, by sending the message that taking parental leave cannot be taken by employers as an opportunity to replace employees, make changes to roles, alter responsibilities or demote staff who are taking leave.

The social security system is also integral to ensuring parents are supported in the early years which is why we call for the abolishment of the two child limit, five week wait and benefit cap within Universal Credit as well as an immediate end to No Recourse to Public Funds for migrant parents.

¹ Living wage (2019) Explaining the UK wage rates <https://www.livingwage.org.uk/what-real-living-wage>

We are currently supporting an increase of child benefit to £50 per child per week to tackle child poverty and help parents deal with the additional impact of the Covid-19 crisis.

3. How can we support parents to develop the skills and maintain the relationships that support healthy child development during the early years period?

4. How do we provide the most effective and integrated early years services in local community spaces to give children the best start in life?

Public health and community services like libraries, Surestart centres and women's refuges are vital to giving every child the best start in life. Yet, since 2010 local governments have had their budgets over halved²: UNISON's 2014 report³, showed that austerity since 2010 had already led to the closure of 285 children's and 159 community centres, a cut of 13% in leisure centre budgets, £42 million from parks and open spaces expenditure and one million fewer street lights. 1000 Sure Start centres and almost 350 playgrounds have closed since 2014⁴. Cumulatively, this has a huge impact on a child's early years as well as a mother's wellbeing and safety.

Providing early years services and community spaces requires significant reinvestment in local government and a move away from relying on locally raised taxes for revenue, which furthers regional inequality.

5. How do we ensure every family can access high-quality childcare that works for both parents and children?

WBG advocates for high quality universal free childcare to ensure that all families can access early years care immediately after shared parental leave. Currently, a lack of good quality affordable childcare is hindering the ability of women in particular to participate in the paid economy as well as children's attainment, development and wellbeing. Cost is a key concern: childcare costs the average couple 30%⁵ of their monthly income and only 57%⁶ of local authorities have enough childcare hours to keep up with demand. This contributes to gender inequalities as well as economic inefficiency.

Public investment in a system of high quality, free universal early education and childcare provided to all children in the UK between the age of 6 months and primary school by qualified staff would have long-term benefits for children, parents and the economy.

WBG member research⁷ finds that much of the initial investment required has the potential to be recouped quickly through additional tax revenue generated by additional jobs created. Modelling various staff qualification/payment models we found that if childcare workers providing free

² WBG (2019) Triple whammy: the impact of local government cuts on women <https://wbg.org.uk/analysis/reports/triple-whammy-the-impact-of-local-government-cuts-on-women/>

³ UNISON (2014) Counting the Cost: How cuts are shrinking women's lives (<https://bit.ly/2T3CVkh>)

⁴ Local Gov (12 November 2018) 'Councils forced to close nearly 350 playgrounds in past four years' (<https://bit.ly/2FhcLnC>)

⁵ WBG (2019) Childcare policy brief <https://wbg.org.uk/wp-content/uploads/2019/10/CHILDCARE-2019.pdf>

⁶ WBG (2019) Childcare policy brief <https://wbg.org.uk/wp-content/uploads/2019/10/CHILDCARE-2019.pdf>

⁷ De Henau, J. (2019) 'Employment and fiscal effects of investing in universal childcare: a macro-micro simulation analysis for the UK', IKD Working Paper No. 83, March (<https://bit.ly/2C8E8vQ>) **All figures updated for 2018.** Figures are not simply higher compared to 2014 because the child population is slightly lower but also teacher pay rise was slightly less than inflation while GDP and living wages have increased, so differential between the two scenarios is less than in 2014.

universal childcare were paid equivalent salary of primary school teachers and all 3.1m children were offered 40 hours a week for 48 weeks a year, the annual gross cost would be £57bn (3.1% of GDP); if pay rates were based on different wage levels by qualification, the investment would be £35bn (1.9% GDP). This would create between 1.5 million and 1.7 million full-time equivalent jobs, raising women's employment rate by between 6.1 and 6.5 percentage points. Direct and indirect taxation on income and consumption has the potential to recoup between 75% and 79% of this annual investment leaving between £7bn and £14bn net funding figure. Funding is also recouped through the reduction of families claiming social security.

There are other policies needed to complement universal free childcare beyond early years:

- The Government must immediately pledge to plug **funding** gaps in the education system: £12.6bn for schools, £1.2bn for 16-19 education, £330m for early years provision, and £1.7bn for Special Educational Needs and Disabilities (SEND).⁸
- Teachers, childcare staff, teaching assistants and SEND staff need a pay rise, they are some of the most valuable workers we have. To pay for this and improvements needed to physical infrastructure central government funding for education as well as local government funding will need big and sustainable boosts to be paid for by tax reforms on wealth.
- Reinvestment in other public services like community and youth centres, public health including sexual health services, libraries, outdoor spaces and leisure centres is also vital to a holistic and happy education. This will require investment in local government and a move away from funding solely on locally raised tax.

6. How can central government work better together to develop effective policies on early years?

One way to ensure cross-departmental work on early years care is to advocate for the publication of meaningful and comprehensive equality impact assessments which take account of how childcare impacts lives. Pregnancy and sex are protected characteristics under the Equality Act 2010 and some organisations are calling for parenthood or caring responsibilities to also be implemented here since care is so often overlooked in EIAs – particularly in relation to fathers. EIAs ought to be published so that all Government departments are held to account regarding their consideration of care and parenting in all policy decision making.

7. How can local government and agencies work together to deliver innovative high-quality early years provision?

8. If you could introduce one early years policy designed to bring about the greatest impact on a child's life chances, what policy would it be and why?

Provision of publicly funded childcare from birth to school would have the greatest impact on a child's life chances. Parents should go directly from well-paid maternity, paternity and shared parental leave into a universal free childcare system where staff are well-paid and well-trained. This would have widespread benefits for children, gender equality and the economy.

⁸ <https://neu.org.uk/funding/empty-promise-boris>